



# State of Wisconsin • DEPARTMENT OF REVENUE

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## REAL ESTATE TRANSFER NEWS

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The following questions and answers are given as general interpretations of the Wisconsin Administrative Code and Statutes. Should you have any questions, please write to:

Bureau of Utility & Special Taxes  
Division of State & Local Finance  
Wisconsin Department of Revenue  
P.O. Box 8933  
Madison, WI 53708-8933

This newsletter may be found on the Internet at DOR's homepage at <http://www.dor.state.wi.us>. The "Guidelines for Real Estate Transfer Fee and Return" (Publication 802) may be found by going to "**Local Government Forms & Publications**" from the home page.

- 1Q.** A was the brother-in-law of B and both of them are the sole members of A&B, LLC that owns real estate. Now that A is divorced from B's sister, can they liquidate the LLC and exempt the conveyance from fee per s. 77.25(15s), Stats.?
- A.** No. The divorce terminated the relationship as brother-in-laws; therefore, exemption 15s does not apply and a transfer fee is imposed on the fair market value of the property.
- 2Q.** A and C intend to purchase 2 adjacent lots from B. Because A and C do not want B to know that C is buying lot 2, A enters into a purchase agreement to buy the two adjacent lots from B and immediately transfer lot 2 to C. Can a transfer fee be avoided on the conveyance from A to C?
- A.** This transaction appears to be "agent to principal" and could be exempt from fee per s. 77.25(9), Stats. A and C should have an "agency agreement" between them indicating their intentions. The use of exemption 9 also requires the conveyance to be for "no consideration." If A transfers lot 2 immediately after taking title from B and does not benefit from having held title, exemption 9 would apply.
- 3Q.** I am unclear as to how to fill out the transfer form PE-500 for the following conveyance. My father is gifting my husband and I a home. The gift portion is \$44,000.00 (equity) and we will be added to the mortgage to pay the remaining \$77,000.00. Are we exempt from fee and how do we complete sections VI, VII and VIII?
- A.** The use of exemption s. 77.25(8), Stats. not only requires the conveyance to be between parent and child, but to be for no consideration. Since you have financing involved and will be paying off the remaining \$77,000.00 mortgage, the requirement of "no consideration" is not met. Accordingly, the transfer fee is imposed on the \$77,000.00, and exemption 8 would apply to the equity of \$44,000.00 as a gift. Complete the transfer return as follows:

Section VI, Line 52: Check Sale, Gift and Other. Explain Other: 77,000 / 44,000  
Section VII, Line 57: 121,000 (total value)  
Line 58: 221.00 (transfer fee on \$77,000.0)  
Line 59: 8 (exemption for gift portion)  
Section VIII, Line 60: Check "assumed existing financing"

- Q4.** Now that Weatherization Compliance Form is permanent, how should the previously recorded Certificate of Compliance, Stipulation or Wavier be referred to on PART III, ENERGY when recording a new transfer?
- A.** Line 34 should be checked "yes" and attach a photocopy of the previously recorded certificate. For questions regarding Weatherization Standards, please contact the Department of Commerce at (608) 267-2240. Note related question on RETN 2/98, Question 4.
- Q5.** Can the Register of Deed's charge the Department of Revenue when the Department requests copies of documents?
- A.** No. According to s. 59.43(2)(b), Stats., "the department of revenue is exempt from the fees."